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TAGS: [ENRG](#) [EPET](#) [EINV](#) [QA](#)  
SUBJECT: QATAR PETROLEUM'S INCREASING CONFIDENCE AND  
RESOURCES LEAVE LESS FOR FOREIGN COMPANIES

REF: A. DOHA 286  
[1](#)B. 2007 DOHA 1069

Classified By: Classified By: Amb. Joseph LeBaron, reasons 1.4 (b) and  
(d).

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(C) KEY POINTS  
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-- Qatar Petroleum (QP) is increasingly interested in a  
larger share of future oil and gas projects, though still  
incapable of operating without major assistance from  
international oil companies (IOCs).

-- ExxonMobil would like to see QP take a greater management  
role in joint ventures, but Qatar has not worked out the  
right incentives to recruit and retain top quality locals or  
foreigners.

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(C) COMMENTS  
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-- QP's increasing financial resources and confidence are  
leaving less room for IOCs (see reftels). But major players  
like ExxonMobil will continue to be able to pick and choose  
which projects provide the right kind of incentives. For  
example, the company pulled out of a planned Gas-to-Liquids  
(GTL) project with QP after the expectation that ExxonMobil  
would pay 100 percent of the capital costs proved unfeasible.

-- The Amir and Energy Minister Abdullah Al-Attiyah recognize  
the crucial role IOCs played in turning Qatar from an  
under-performing minor oil producer into a world leader in  
natural gas. The IOCs have been rewarded accordingly. As a  
new generation of Qataris assume management at QP, however,  
they will be less inclined to be generous and increasingly  
try to squeeze every last riyal out of future deals.

END KEY POINTS AND COMMENTS.

[1](#)1. (C) During an August 14 introductory call by the  
Ambassador, ExxonMobil-Qatar President and CEO Alex Dodds  
assessed the near-term future of foreign energy companies  
operating in Qatar as bright but colored by an increasingly  
self-confident and capital-rich QP which is interested in a  
larger share of future projects. However, QP is still run  
like a small-time outfit (Energy Minister and QP Chairman  
Al-Attiyah gets involved in minutia) and is  
organizationally-incapable of executing the leadership's  
vision.

[1](#)2. (C) QP has seven to eight capable Qataris in senior  
positions, but their portfolios are stove-piped and outside  
players like ExxonMobil often must take the lead in  
coordinating policies and projects. Ultimately, Dodds would

like to see QP take a greater lead in running and contributing to joint ventures with IOCs, thereby providing greater efficiencies for ExxonMobil's shareholders. At the same time, he worried that the GOQ doesn't fully realize the need to augment residency and financial incentives to recruit and retain the right kind of people.

LeBaron